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**1995/06/30**

**CONFIDENTIAL**

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FTQ7751

DEPARTMENT OF STATE  
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EXEMPTIONS: ( ) EXCISE  
( ) DENY  
IN PARENT: EX-CLERKS

*E38*  
*R*

FOIA Exemptions  
PA Exemptions  
( ) CLASSIFY as ( ) S or ( ) C Sec. TS authority to  
( ) DOWNGRADE TS to ( ) F  
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ACTION EAP-01

INFO LOG-00 OASY-00 TEDE-00 ADS-00 ONY-00 SSO-00 /001W  
-----D51F3C 301026Z /38  
P 300957Z JUN 95  
FM AMEMBASSY BEIJING  
TO SECSTATE WASHDC PRIORITY 9929

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OFFICIAL-INFORMAL

FOR RAP/CM ONLY KEYSER FROM A/DCM SILVER

E.O. 12356: N/A

TAGS: AMGT

SUBJECT: OFFICIAL-INFORMAL

1. (U) 0-I NO. 116

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2. (U) FOR KEYSER FROM HALLFORD. ZAIJIAN FOR NOW. WE LOOKED AT THE CALENDAR TODAY AND REALIZED WITH A BIT OF A PANIC THAT THIS IS THE LAST DAY YOU'LL BE AT THE OTHER END OF THESE MESSAGES. WHEN JEFF WAS THROUGH HERE, WE REMINDED HIM OF WHAT HE REPORTEDLY SAID UPON HIS DEPARTURE FROM THE DESK IN 1990: "I HAVE MIXED EMOTIONS ABOUT LEAVING -- I'M TORN BETWEEN JOY AND ECSTASY." WE SUSPECT YOU MAY HAVE A SIMILAR FEELING OF LIBERATION TONIGHT, BUT YOU SHOULD ALSO BE AWARE OF THE GRATITUDE THAT ALL OF US OUT HERE HAVE

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FOR THE OUTSTANDING SUPPORT YOU'VE GIVEN US OVER THE LAST TWO YEARS. WE'VE HAD BY FAR THE EASIER JOB, WITH ONLY THE COMPLIANT CELESTIALS TO BATTLE. WE'LL KEENLY MISS THE BITING HUMOR, WHETHER YOU WERE CHRONICLING YET ANOTHER LU SHUMIN PHONE CALL DEMARCHE

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ON A SHIJIE RIBAO REPORT OR FILLING US IN ON THE LATEST WELL-REASONED PRODUCT OF HUASHENGDUN'S POLICY MACHINE. WELL DONE.

/ 3. (C) FOR KEYSER FROM HALIFAX. WU CASE AND POSSIBLE EFFECT ON MFN? I RECEIVED A CALL ON FRIDAY AFTERNOON FROM MIKE ZIMMERMAN, LOCAL HEAD OF BOEING, WHO IS GETTING PRESSURE FROM HIS HOME OFFICE TO "DO SOMETHING" ABOUT THE HARRY WU PROBLEM. THE "SOMETHING" SUGGESTED WAS FOR HIM TO MAKE SOME SORT OF REPRESENTATION TO HIS GOVERNMENT CONTACTS HERE. HE QUITE NATURALLY DOESN'T FEEL THAT IS APPROPRIATE AND INSTEAD SIMPLY PASSED ON TO ME THE GIST OF HIS HOME OFFICE'S CONCERNS. THE WASHINGTON CONGRESSMAN, DIX, WHO HE DESCRIBED AS A FRIEND OF MFN, IS VERY WORRIED THAT CONGRESS IS ABOUT TO DO SOMETHING DUMB RE MFN AND CHINA IF WU IS NOT RELEASED QUICKLY. DIX REFERRED TO SOME 100 NEW MEMBERS OF CONGRESS WHO KNOW LITTLE ABOUT MFN BUT HAVE INSTINCTIVE REACTIONS TO A SITUATION LIKE WU'S.

/ 4. (C) FOR ELLIS FROM MONROE. COMMERCIAL FALLOUT. NEITHER WE NOR FCS ARE FAMILIAR WITH THE ADM CASE, AND ADM DOES NOT HAVE AN OFFICE IN BEIJING. IF WE KNEW A LITTLE MORE ABOUT THE PROJECT AND WHO THEY ARE DEALING WITH ON THE CHINESE SIDE WE MIGHT BE ABLE TO DIG A

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LITTLE FURTHER. WE SHOULD BE GETTING OUT A FRONT CHANNEL CABLE TODAY WHICH INCLUDES THOUGHTS ABOUT THIS GENERAL ISSUE. WHILE CONTACTS ARE CONTINUING TO BE SIGNED, WE ARE BEGINNING TO PICK UP SIGNS OF SOME FALLOUT. THERE IS A DANGER, HOWEVER, IN READING TOO MUCH INTO INDIVIDUAL CASES. THE "POLITICAL CLIMATE" CAN BE A HANDY EXCUSE OR A BARGAINING PLOY. SOME AGENCIES/DEPARTMENTS, UNCLEAR OF THE POLICY BUT AWARE OF ALL THE POLITICAL NOISE, MAY SIMPLY DECIDE A GO-SLOW TACT IS THE WISEST, MOST CAUTIOUS APPROACH RIGHT NOW. AND THERE MAY BE A DESIRE TO POSTPONE/DEFLECT HIGH PROFILE PROJECTS NOW FOR FEAR THEY WOULD UNDERMINE THE MESSAGE THE CHINESE ARE TRYING TO DELIVER (THIS SEEMS TO BE THE CASE IN DOUGLAS AIRCRAFT'S FAILURE THIS WEEK TO CONCLUDE A CONTRACT FOR THE SALE OF 20 MD-90S). AS FAR AS WE KNOW, THERE HAS BEEN NO BLANKET DECISION TO PUNISH AMERICAN FIRMS, BUT EVERYONE'S ANTENNAE ARE ON HIGH ALERT IN THE EXPECTATION/FEAR THAT MORE SHOES MAY DROP.

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5. (LOU) FOR STANTON FROM SILVER. LTANBANG DIAOCHA JU OFFICE. WE HEARD VIA THE GRAPEVINE THAT GELEBADE ZHULI GUOWUQING SAID DURING HIS RECENT XIANGGANG SWING THAT THE BEIJING LBDCJ OFFICE COULD NOT OPEN UP UNTIL THE FANDUPIN JU OFFICE ALSO WAS READY TO GO. THIS PUZZLED US A BIT, AND WE WONDER IF THERE IS SOME POLICY PROBLEM (AS OPPOSED TO INTER-AGENCY TURF BATTLES) THAT WE'RE MISSING. THE LBDCJ HAS JUMPED THROUGH MOST OF THE HOOPS IN OUR EARLIER CONDITIONAL NSDD-38 APPROVAL, WITH THE EXCEPTION OF SPACE AND RELATED QUESTIONS. IF ALL GOES WELL, WE COULD BE

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READY TO GRANT FINAL NSDD-38 APPROVAL AND HAVE THE LBDCJ OPEN UP SHOP EARLY NEXT FISCAL YEAR. DUE TO ITS OWN LACK OF EFFORT, THE FDPJ, ON THE OTHER HAND, LAGS FAR BEHIND IN THIS PROCESS. UNLIKE THE LBDCJ, THEY ALSO HAVE NOT MADE REGULAR VISITS UP HERE TO ESTABLISH CHINESE CONTACTS. WHILE THE CELESTIALS SEEM TO LIKE THE LBDCJ WELL ENOUGH, WE CAN SAY WITH REASONABLE CERTAINTY THAT THERE IS ZERO LEVERAGE GAINED BY HOLDING UP ESTABLISHMENT OF THE LBDCJ, SOULD THAT BE THE REASONING. WE HOPE IN DUE COURSE THAT BOTH WILL BE IN BEIJING, BUT CANNOT SEE ANYGAIN TO THE USG BY SLOWING DOWN THE LBDCJ OPENIN. ARE WE MISSING SOMETHING?

6. (U) FOR BRDIE FROM MONROE. ANTIDUMPING CASE. IT IS CERTANLY POSSIBLE THAT USDOC IS SIMPLY RECEIVING A POITE TURNDOWN. AT THE SAME TIME, SOME OF OUR INTEPID TRAVELLERS TELL US THAT THERE ARE

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AREAS IN HUMAN, PARTICULARLY IN MOUNTAINOUS PROVINCIAL BORDER AREAS, WHERE BANDITRY IS A REAL PROBLEM AND THE DANGERS COULD BE REAL. HUA YUAN, FOR ONE, IS IN THE MOUNTAINS ON THE HUNAN-SICHUAN BORDER. ON THE QUESTION OF RULES AFFECTING VISITORS VISITING THESE AREAS, I CAN TELL YOU THAT XUPU COUNTY IS ON THE APPROVED LIST OF CITIES AND COUNTIES OPEN TO FOREIGNERS. HUA YUAN AND PUSHI ARE NOT SPECIFICALLY LISTED, WHICH OUR FRIENDLY DSB ADVISOR ASSURES ME MEANS THEY ARE CLOSED TO FOREIGNERS (ALTHOUGH I CANNOT FIND PUSHI ON THE MAP, AND WONDER IF IT IS SMALL ENOUGH TO NOT BE LISTED BUT IS ACTUALLY PART OF A

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COUNTY THAT IS LISTED - THE LOCAL HUNAN OFFICE DID NOT  
SEEM TO HAVE ANYONE IN TODAY WHO COULD ANSWER THAT  
QUESTION). HALLFORD

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